NYNEX, and AT&T has a commitment from these RBOCs to implement that routing. Notwithstanding the actions of the other RBOCs, Ameritech claims that customized routing is not technically feasible.

20. The FCC has ordered the incumbent LECs, "to the extent technically feasible, to provide customized routing, which would include such routing to a competitor's operator services or directory assistance platform." First Report and Order, ¶536; see also, ¶412.

21. On the issue of technical feasibility, the ILEC is required to demonstrate by clear and convincing evidence to a state commission that a network element, combination thereof or proposed use of such an element is not technically feasible. Id. § 51.315(e). The definition of "technically feasible" does not turn on questions of economics or accounting but rather on "technical or operational concerns that prevent the fulfillment of a request." Id. § 51 (definitions). Thus, for example, it is not sufficient for an ILEC to claim merely that a request for a combination of unbundled network elements will require development or network modifications; instead, the ILEC must prove to the state commission by the high standard of clear and convincing evidence that the proposed unbundling cannot be done.

22. Ameritech has resisted making available the platform without OS/DA as a standard offer. AT&T prevailed on the issue before the arbitration panel in Michigan, which found as factfinder that "Ameritech has not demonstrated to this Panel that this offering is technically infeasible."[7] The Commission observed that technical feasibility was a "legitimate concern" and ruled that the unbundled platform without OS/DA should be offered through the bona fide request process and not as a standard offering.[8]

23. The Commission did not, however, make a finding that customized routing is technically infeasible. Thus, Ameritech cannot claim that it has satisfied its obligation to demonstrate by "clear and convincing" evidence that customized routing is not technically feasible. AT&T has conducted a study of the customized routing issue that demonstrates that such routing is technically feasible. Attachment 1 to this affidavit, entitled "AT&T Report and Findings on Technical Solutions Relative to Routing of Local Operator Service and Directory Assistance to the AT&T Switched Network in the Total Service Resale or Unbundled Network Element Environment" describes, in detail, the technical feasibility of routing OS/DA and should be considered in determining whether Ameritech has been able to demonstrate by clear and convincing

[7] Decision of Arbitration Panel, AT&T Communications of Michigan, Inc. Case No. U-11151 et seq., (Mich. PSC October 28, 1996).

[8] Order Approving Agreement Adopted by Arbitration, AT&T Communications of Michigan, Inc., Case No. U-11151 et seq. (Mich. PSC November 26, 1996).

evidence the technical infeasibility of such routing for any particular switch or switch type.

24. As set forth in that study, a number of options are available to provide customized routing to a new entrant's traffic for its own OS/DA platforms. In addition to the use of line class codes, these options include but are not limited to using AIN triggers in the switch to get routing information from an external data base or using a "mini-switch" inserted between the LEC end office switches and its OS/DA platforms to screen traffic before it arrives at the LEC's platform. Although ultimately it is up to Ameritech to determine which solution, or combination of solutions, best suits its existing network, there is no doubt that customized routing can be performed on its network.

25. Based on my experience and knowledge of these solutions and the switching technology, the use of AIN triggers is the preferred solution as it is significantly easier to administer than using line class codes and is the better long term solution. The AIN solution for customized routing involves three basic steps: 1) activation of the switch triggers; 2) development of the service control point (SCP) data base which will provide the routing instructions to the switch; and 3) development of a support system to keep the SCP data base updated. This technology is not new to the industry, and a similar external data base inquiry process is used today by the LECs to

determine the proper carrier routing for each and every toll free (800 or 888) number dialed.

26. Bell Atlantic, for example, has proposed an AIN solution for this customized routing for the majority of its local switches. Bell Atlantic has committed to complete the deployment of this solution by the end of June, 1997. Bell Atlantic also agreed that it will work cooperatively with AT&T to tailor the deployment schedule to meet AT&T's specific market entry needs. SWB has also committed to use AIN services to provide customized routing to AT&T's OS/DA platforms by mid-1997.

27. The AIN solution does not work in a small number of analog switches that are not equipped to handle line class codes or AIN. In those few circumstances where the AIN solution is not available, another approach should be taken. In the Bell Atlantic situation mentioned above, in the case of older switch technologies that will not support the AIN solution, Bell Atlantic plans to deploy a "mini-switch" between its local end office switch and its OS/DA platforms. This mini-switch will serve as a screening tool to determine if a call destined to its operator/directory platforms originated from a competitive carrier and, if so, it will route these calls to the appropriate trunk groups to get them to the CLEC for handling by their own platform. If the mini-switch option is not available, and no other means of customized routing is available, then nondiscriminatory branding should be required, with the calls being sent to

Ameritech's operator and directory assistance platforms where branding would have to occur via a subsequent table look-up or a data base dip based on the customer's number.

28. Ameritech has criticized the AIN solution, saying that it may lead to increased query/response delay for all calls, may increase the possibility of network failure, and may have interfere with other AIN services. Heinmiller Rebuttal Test., pp. 16-17. In fact, different forms of AIN triggers are available, and one such trigger uses dialed digits and would affect only OS/DA calls and route them to the appropriate carrier based on a look-up table. This form of AIN trigger would not encounter the associated query/response delay for all calls and would not have the network failure consequences that Ameritech has alleged. In addition, it would not interfere with other AIN services. When it wants, Ameritech can be creative in devising responses to issues, but here Ameritech is merely advancing arguments to hinder the offering of a competitor, and it has made no showing that the AIN or other approaches are not technically feasible.

II. AMERITECH HAS FAILED TO IMPLEMENT INTEROFFICE TRANSPORT AS REQUIRED BY SECTION 271.

29. Section 271(c)(2)(B)(v) requires that an ILEC provide "[l]ocal transport from the trunk side of wireline local exchange carrier switch unbundled from switching or other services." In addition, Section 271(c)(2)(B)(ii) requires access to this unbundled element to be "nondiscriminatory" and "in accordance with the requirements of sections 251(c)(3) and 252(d)(1)." Thus, in order to satisfy this checklist item, Ameritech must comply with Section 251(c)(3) -- including all implementing regulations of the FCC as well as any additional implementing rules the Michigan Commission may have adopted pursuant to Section 251(d)(3) -- as well as the pricing standards of Sections 251(c)(3) and 252(d).

30. Ameritech is refusing to offer common transport to purchasers of the ULS and unbundled platform and has offered a uniquely distorted set of transport services. In addition to dedicated transport, Ameritech offers "shared" transport, which requires a requesting carrier to purchase dedicated transmission facilities and then arrange to share these dedicated facilities with one or more other competing carriers if the purchaser so wishes.[9] For purchasers of the unbundled switch or unbundled platform

[9] A proposed tariff that Ameritech filed in Illinois defined Shared Transport as follows:
"Shared Transport will be dedicated to a group of two or more carriers. As a group, the carriers must order an entir facility. In addition, one requesting carrier must be assigned as the carrier of record ('primary carrier') for purposes of testing, provisioning and maintaining the element." Ameritech 9/27/96 Tariff Filing (Suspended), Part 19, Section 12, Sheet No. 12, ¶ 3.4.B.

who have insufficient volumes to purchase dedicated or "shared" transport, Ameritech offers a hybrid transport alternative that requires the purchaser to pay high retail rates for what is essentially intraMSA toll service.

31. In effect, with this offering, Ameritech seeks to bar other carriers from purchasing usage of existing interoffice transmission facilities on a shared basis with Ameritech's own traffic. With this dedicated/"shared" transport offering, Ameritech makes new competitors either duplicate Ameritech's transport network to transport calls or otherwise pay high retail rates for Ameritech's alternative transport service (i.e. intraMSA toll service), the result of which is a de facto bundling of local switching with other (retail) services.

32. These offerings fail to provide the unbundled transport as required by the Act. The requirements of transport unbundling and shared transport were designed to permit transport of calls over all trunks in an ILEC's transport network. Such unbundling does not occur under Ameritech's approach as Ameritech never allows a CLEC end users' traffic to share transport with Ameritech end users' traffic. Once the CLEC purchases the shared transport element, the transport belongs to the CLEC, and not the ILEC, and the CLEC becomes a reseller of transport services. The shared transport

option in effect is dedicated transport, and Ameritech is merely agreeing that it will not limit a CLEC's use of the dedicated facilities-- which itself would be inconsistent with the Act. In essence, under Ameritech's proposal, all parties seeking to purchase unbundled transport on a minute of use basis would be required to either form joint purchasing agreements or solicit resale agreements with other competing carriers. In addition, Ameritech would be the only entity that would never share traffic with the CLECs.

33. This offering of "shared" transport is totally unrealistic and would impose significant costs on any CLEC choosing the "shared" transport option. CLECs generally will not have the volume of traffic to justify purchasing dedicated transport from Ameritech. The "shared" transport option would require significant CLEC expenditures to pay Ameritech for what is in effect dedicated transport. Ameritech suggests that a CLEC would have the choice of incurring the time and expense to put together a group of carriers that would "share" the dedicated facilities. The expense and effort to manage the shared arrangement make it totally impractical.

34. Ameritech's proposal is designed to undermine the viability of the unbundled switching element and unbundled platform. Ameritech knows that the "shared" transport option is unrealistic and impractical for most CLECs. Ameritech also knows that Ameritech lacks the physical facilities to make transport capacity available in the form of dedicated and "shared" transport that it proposes. If a number of carriers did

seek to use Ameritech's shared transport system, it would overwhelm Ameritech's transport facilities and require significant overbuilding, along with the attendant inefficiencies that such overbuilding would entail. Clearly, Ameritech does not envision that CLECs will use the "shared" transport option, but instead will be forced to use its "alternative" transport option with its high retail rates.

35. Interestingly, although Ameritech has claimed that there are severe constraints on its ability to selectively route OS/DA calls, its transport proposal would require Ameritech to selectively route each call to the proper "dedicated" or "shared" trunk group. Thus, in situations in which competitors do not want selective routing, Ameritech indicates that it is available. But in situation in which a competing LEC wants selective routing to route calls to specified trunk groups, Ameritech pleads that such service is not technically feasible. Clearly, this transport proposal is part of Ameritech's long-running campaign to undermine implementation of the unbundled platform and the development of competition in the local exchange.

36. Ameritech has also taken the position that purchasers of the alternative local transport option are not entitled to the terminating access charges and that Ameritech is the appropriate entity to charge the interexchange carriers for terminating access. Only subscribers purchasing Ameritech's dedicated or "shared" transport are permitted to charge interexchange carriers for terminating access under

Ameritech's scheme. Gebhardt Rebuttal Test. at 51-52. As yet further evidence that Ameritech does not envision CLECs will purchase dedicated or "shared" transport, Ameritech is not providing to CLECs the billing information necessary to bill for terminating access.

37. This transport issue has a fundamental effect on a CLEC's business decisions regarding entry into the local exchange. The Act and the FCC clearly contemplated that CLECs might use resale, facilities-based operation, or the purchase of unbundled elements, or some combination thereof, as entry strategies in providing local exchange service. Ameritech's dedicated and "shared" transport will not be used because they are too expensive, impractical, and cannot be implemented. The only realistic option will be Ameritech's hybrid alternative transport option, the use of which will simply drive up the costs for CLECs. Without the availability of common transport, the unbundled switching element and the unbundled platform may not be commercially viable, and this will delay entry by CLECs and reduce their ability to compete with Ameritech. In the absence of a fully functioning and legitimate shared transport option, Ameritech cannot be found to have fully implemented its obligation under Section 271 to provide unbundled transport on a nondiscriminatory basis.

III. AMERITECH AND THE CLECS NEED OPERATIONAL EXPERIENCE WITH THE SYSTEMS, PROCEDURES, AND INTERFACES TO ENSURE THAT COMPETITION CAN DEVELOP.

38. It is vitally important that there be a period to permit Ameritech and the CLECs to work out transitional issues and ensure that the unbundling of network elements has taken place that permits the CLECs to compete with Ameritech. The Federal Act provides for a total overhaul of the local exchange with the goal of introducing competition and dismantling the monopoly local exchange bottleneck. As recently as the summer of 1996, officials from Ameritech were stating that aspects of unbundling were simply unachievable. For example, with respect to the unbundled platform, Ameritech indicated that it was nothing more than "concept" that could not be implemented in the near term:

> "There are a host of provisioning and pricing issues that have not been addressed in any meaningful way. . . . In reality, the parties never progressed beyond the 'concept' stage in discussing this service alternative. . . . Moreover, the technical and operational issues associated with an unbundled switch platform have not been addressed at all. . . . [T]here would likely be endless debates over: (1) the size of the capacity blocks which resellers must purchase; (2) the length of the term commitments; (3) how capacity would be measured; and (4) whether the rate structure would be flat-rated or usage-sensitive." Initial Brief of Illinois Bell Telephone Co., Docket Nos. 95-0458/95-0531 (the Illinois Wholesale Order case) pp. 109-110.

In light of Ameritech's claim that it has fully implemented the unbundling requirements, these issues are in Ameritech's view apparently all resolved. Although Ameritech claims that it has already implemented unbundling, there remain a number of operational and technical matters that must be resolved, and there will doubtless be other issues similar to

the difference on "shared" transport that will arise only during the course of implementation. These matters include several of the unbundling issues described in this testimony, as well as the signaling and OSS issues -- which all require new, complicated, and untested interfaces and intercarrier arrangements. Before an ILEC can claim that network unbundling has been "fully implemented," a number of distinct and interrelated systems and interfaces have to be subjected to operational testing in the marketplace to work out differences and to determine that these systems and interfaces are sufficient to support the volumes necessary to meet the needs of carriers and end users.

39. Testing and operational experience is important because it provides an opportunity for Ameritech and the new service providers to resolve the implementation problems that will undoubtedly arise and to adjust to the new environment created by the 1996 Telecommunications Act. As an example, if the preordering, ordering, provisioning, and maintenance services associated with the unbundled platform are not provided by Ameritech on a timely basis, the CLEC customer would likely perceive the resulting provisioning delay and inferior customer service to be the fault of the CLEC and not Ameritech. In addition, it will be necessary to determine that Ameritech is in a position to handle large numbers of orders so that customers can obtain timely service in switching their local service provider and not be subject to delays that would affect the competitive choices of those customers. Testing and operational experience will permit carriers and regulators to correct the problems that will arise in the

new environment and to make a determination that Ameritech has implemented the systems necessary to permit the marketplace to work. In short, full implementation of the requirements of the Federal Act and of the FCC and this Commission must be demonstrated by operation in the marketplace at competitive volumes and cannot be determined solely by written statements or promises of action in the future. Ameritech has very little incentive to speed the opening of the local monopoly bottleneck, particularly if it can gain in-region interLATA relief before competition in the local exchange becomes a reality. The period of testing and operational experience at competitive volumes ensures that the interfaces and systems work and will permit the development of local exchange competition.

IV. CONCLUSION

40. The foregoing is by no means an exhaustive listing of all the problems with Ameritech's filing on the issue of unbundled elements. Additional problems include, but are not limited to, Ameritech's proposal for reciprocal compensation, the lack of written procedures for AIN services, and discriminatory time periods for loop provisioning. The foregoing does demonstrate, however, that Ameritech is still far from complying with the competitive checklist of Section 271, and on these grounds alone, its application for in-region interLATA relief must be denied.

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter, on the Commission's own motion, to consider Ameritech Michigan's compliance with the competitive checklist in Section 271 of the Telecommunications Act of 1996	)))))	Case No. U-11104

AFFIDAVIT OF JUDITH D. EVANS
ON BEHALF OF AT&T COMMUNICATIONS OF MICHIGAN, INC.

STATE OF ILLINOIS)
) ss.
COUNTY OF COOK)

I, Judith D. Evans, being first duly sworn upon oath, do hereby depose and state as follows:

1. My name is Judith D. Evans. My business address is 227 West Monroe Street, Room 19SQ11, Chicago, Illinois. I am employed by AT&T Corp. ("AT&T") as a Technical Support Manager in the Local Services Division organization.

2. My current responsibilities as a Technical Support Manager include technical support of interstate/intrastate telecommunications services in AT&T's Central Region States, including Michigan, Illinois, Indiana, Ohio, and Wisconsin. As part of my responsibilities, I serve as AT&T's representative on the Michigan Number

Portability Workshop, which attempts to resolve issues within the industry regarding the implementation of long-term number portability.

3. In 1969 I joined Illinois Bell Telephone Company in the Operator Services Department. My initial assignment included perfonning toll, intercept, mobile, centralized automatic message accounting, and universal operator functions. In November 1971, I was promoted to the Network Services Department. For the next 15 years I held a variety of technical craft and managerial positions in the Network Administration, Frames, Switching, and Switch Cutover organizations. In February 1986, I was transferred to the Planning and Engineering Department and performed the design/traffic engineering functions for 15 local, tandem, and operator services switching systems.

4. In July 1988, I accepted a position as a Senior Product Training Specialist in AT&T's 5ESS Switch Product Training Services Department, where I instructed and designed training for the 5ESS Switch Architecture, Engineering, and Network Administration Local Exchange Carrier curricula. In July 1991, I was promoted to Senior Product Training Consultant and was team leader project manager for both domestic and international documentation and training in the 5ESS Switch ISDN Customer Premises Equipment Sales & Marketing and 5ESS Switch Engineering groups.

5. Over the past 27 years, I have attended numerous industry, schools, and seminars covering a variety of technical and regulatory issues. I am currently finishing course work at North Central College, Naperville, Illinois, for a Bachelor of Arts degree in Communications.

PURPOSE AND SUMMARY OF AFFIDAVIT

6. The purpose of my affidavit is to respond to the affidavits submitted by Ameritech's witnesses Gregory Dunny, John Mayer, and Warren Mickens regarding Ameritech's compliance with the competitive checklist of Section 271 of the Telecommunications Act of 1996 ("the 1996 Act") in the areas of number portability, dialing parity, and nondiscriminatory access to directory assistance and directory listings. I will demonstrate that, contrary to the assertions of Ameritech's witnesses, Ameritech has not satisfied its obligations in any of these areas.

7. As part of my discussion of number portability, I will discuss the overall competitive importance of local number portability -- both permanent ("PNP") and interim ("INP") -- to the development of vigorous local exchange competition. I will then discuss Ameritech's number portability obligations under the competitive checklist and the FCC's number portability rules implementing Section 251 of the 1996 Act. Finally, I will show that Ameritech has not met its INP obligations under the checklist, because it has failed to offer route indexing as an INP method, even though (as Ameritech has previously admitted) route indexing has been shown to be technically feasible.

8. In my discussion of dialing parity, I will show that Ameritech has not discharged its dialing parity obligations under the checklist, primarily because of its failure to offer the INP solutions that are essential to adequate dialing parity. In addition, Ameritech has refused to provide intraLATA toll dialing parity. Even if Ameritech currently satisfies its dialing parity obligations under the checklist, its refusal to offer intraLATA dialing parity in the face of repeated orders of the Commission vilates Section 271(e)(2)(B) of the 1996 Act and leaves substantial cause for concern that it will not comply with those obligations in the future after it has been granted in-region interLATA authority.

9. Finally, I will show that Ameritech has not met its obligations under the checklist to provide non-discriminatory access to directory assistance and directory listings. For example, Ameritech has failed to provide basic yellow pages listings for the customers of CLECs, free yellow page directories to such customers, and data to CLECs concerning an unlisted customer's status (as opposed to the customer's number), even such inclusion is clearly required by the 1996 Act and by the FCC's regulations.

I. NUMBER PORTABILITY

10. As Mr. Dunny states, Item (xi) of the competitive checklist requires that Ameritech provide "interim telecommunications number portability through remote call forwarding, direct inward dialing trunks, or other comparable arrangements,

with as little impairment of functioning, quality, reliability, and convenience as possible," and that Ameritech fully comply with the number portability regulations promulgated by the FCC pursuant to the 1996 Act. 47 U.S.C. § 271(c)(2)(B)(xi); Affidavit of Gregory J. Dunny ("Dunny Aff."), ¶ 128. I do not agree with Mr. Dunny and Mr. Mayer, however, that Ameritech has met these requirements. See Dunny Aff., ¶¶ 128-135; Affidavit of John B. Mayer ("Mayer Aff."), ¶¶ 153-161.

A. The Competitive Importance of Local Number Portability

11. As used in this affidavit, the term local number portability ("LNP") refers generally to "service provider portability." Service provider portability is the capability of a customer to change to a different local service provider while retaining the same local telephone number at the same location and at the same service without impairment of functionality.

12. The absence of an effective LNP solution would be a significant barrier to the introduction of local exchange competition. Most customers will refuse to change carriers if they cannot have the assurance that their numbers will remain the same even after the change. Thus, it is essential that an effective LNP solution be implemented in a timely fashion.

B. Permanent Number Portability

13. As Item (xi) of the checklist recognizes by referring only to INP, permanent number portability has not yet been implemented. The absence of PNP,

however, is relevant to the checklist, because the competitive importance of effective number portability requires that Ameritech's INP obligations must be strictly enforced -- as Congress recognized when it included in this checklist item the requirement of "full compliance" with the FCC's number portability regulations promulgated pursuant to Section 251.

14. Michigan statutory law requires that providers of basic local exchange service provide true number portability (i.e., PNP) no later than January 1, 1999; however, under the statute the Commission may require the provision of PNP before that date if it determines that such provision is "economically and technologically feasible." Mich. Stat. Ann. § 22.1469(358); MCL § 484.2358. Last June, pursuant to the statute, the Commission ordered Ameritech Michigan and GTE to commence implementation of PNP no later than when they begin implementation of PNP in Illinois, unless they show cause why further delay is necessary.[1]

15. One month after the Commission issued its order, the FCC issued its Number Portability Order, which requires PNP to be deployed in the top 100 metropolitan statistical areas ("MSAs") nationwide beginning October 1, 1997, and to be completed in those MSAs by December 31, 1998. Markets beyond these MSAs are to be

[1] Case No. U-10860, In the Matter, On the Commission's Own Motion, To Establish Permanent Interconnection Arrangements Between Basic Local Exchange Service Providers, Opinion and Order issued June 5, 1996.

converted to PNP within six months of any request, beginning January 1, 1999. Number Portability Order, ¶ 77 and Appendix F.

16. The Number Portability Order included three Michigan cities in the 100 MSAs where PNP must be implemented by the end of 1998: Detroit, Grand Rapids, and Ann Arbor. In these cities, implementation must begin on October 1, 1997, and must be completed throughout the MSA by the following dates:

Detroit MSA -- First quarter 1998

Grand Rapids MSA -- Third quarter 1998

Ann Arbor MSA -- Fourth quarter 1998

However, the FCC also required that in the Chicago MSA (the only one of the top 100 MSAs in Illinois), Ameritech commence offering PNP on October 1, 1997, and fully implement PNP (i.e., make PNP available through the entire Chicago MSA) by December 31, 1997.

17. Two months after the FCC issued the Number Portability Order, the Commission denied GTE's request for rehearing of its ruling on number portability in Case No. U-10860 and reiterated that Ameritech and GTE must begin long-term number portability in Michigan at the same time that Ameritech begins to implement true number portability in Illinois. Case No. U-10860, Order Denying Rehearing, issued September 12, 1996. Thus, Ameritech must begin implementation of PNP in Michigan on October 1, 1997 -- the same date on which it must begin such implementation in the

Chicago MSA (and three Michigan MSAs) under the Number Portability Order. However, under the Number Portability Order, the Michigan statute, and the Commission's orders, full implementation of PNP in areas outside the Detroit, Grand Rapids, and Ann Arbor MSAs will not be required until at least January 1, 1999.

18. Like other States in Ameritech's region, Michigan has formed a Number Portability Workshop composed of Ameritech, AT&T, and other industry representatives for the purpose of attempting to resolve issues regarding the implementation of PNP. Thus far, progress has been made on a few of the implementation issues. However, implementation of PNP in Michigan has been slow and remains largely in the theoretical stage. For example, numerous critical decisions and implementation issues regarding PNP are yet to be addressed. The LNP Regional Workshop Operations Subcommittee has 51 issues currently identified on its action item list and has yet to resolve 37 of those issues.

19. . Moreover, to date Ameritech has provided very little information indicating whether it is on schedule to meet the PNP schedule established by the FCC and this Commission, aside from Mr. Mayer's ambiguous statement that Ameritech "plans" to begin implementation of PNP in Michigan "by fourth quarter 1997." Mayer Aff., ¶ 160. Mere assurances such as these are not enough.

20. As discussed in the reply affidavit filed in this proceeding by John Puljung, Ameritech has a long history of delays and non-compliance with Commission

orders, including the intraLATA presubscription orders (which I briefly discuss below). This history, by itself, leaves much room for concern that Ameritech will be similarly noncompliant regarding the implementation of PNP.

21. If Ameritech were to be granted interLATA relief prior to the implementation of PNP in an MSA like Detroit, Ameritech's motivation to comply with the PNP schedule would be dramatically reduced. To date Ameritech has had a strong incentive to cooperate -- or appear to cooperate -- with its competitors on number portability issues. The FCC is not likely to allow a BOC that appears to be "stonewalling" in implementing the PNP schedule to enter the long-distance market.

22. AT&T, however, is concerned that Ameritech will not comply with the PNP implementation schedule once it receives in-region interLATA authority. In order for the deadlines of the FCC and this Commission to be met, a number of milestones with respect to switch upgrades, software development and testing must be met in what everyone agrees is an aggressive schedule. Moreover, achievement of PNP will not be possible absent resolution of numerous critical issues on PNP in the Michigan workshop.

23. Ameritech will have little or no incentive to cooperate with its competitors on PNP implementation if it receives in-region interLATA authority before it has fully implemented PNP in an MSA such as Detroit. In fact, under such circumstances Ameritech would have every reason to delay resolution of those issues, and thus PNP, by

refusing to agree to a solution or by forcing litigation of the issues. The delay would have the effect of enhancing Ameritech's competitive position and impairing the growth of competition, because CLECs would be forced to continue using INP methods, which are unsuitable as long-term solutions.[2]

24. Adherence to the PNP schedule is critical to the development of competition, because none of the INP solutions that I discuss below can serve as a permanent solution in fulfilling the implementation schedules of the FCC and this Commission. As the FCC found in its Number Portability Order, each of the INP is an inadequate method because each method:

(1) impairs the quality, reliability, or convenience of the telecom services offered when customers switch between carriers (for example, Caller I.D. is disabled);

(2) requires competing local exchange carriers ("CLECs") to depend upon the original incumbent service provider's (i.e., Ameritech's) network; or

(3) wastes the limited numbering resources (i.e., assigning a second "shadow number").

Number Portability Order, ¶¶ 110, 115.

25. Thus, the longer a permanent solution is delayed, the longer competitors will face significant competitive hurdles, as they are forced to incur time and

[2] That is why the Commission, to mitigate the likelihood of a problem later, should (at a minimum) formally adopt requirements that Ameritech: (1) identify its responsible personnel; (2) specifically outline its schedule for implementation of the LRN method of PNP; and (3) provide the Commission with regular monthly reports on the progress of the PNP project.

expense on the inferior and outmoded INP solutions for serving their customers. That is why, until PNP is implemented, it is critical to competition that the most effective INP methods be made available to CLECs -- and that Ameritech be strictly required to comply fully with its statutory obligations under the 1996 Act to provide all such methods, to the extent that they are technically feasible.

26. Interim portability options have become particularly important to AT&T in connection with its facility-based plans for Michigan areas outside of the Detroit, Ann Arbor, and Grand Rapids MSAs. AT&T has recently created a market plan targeted for certain business customers for the third quarter of 1997 to provide competitive local service to customers by using switch capacity that currently exists in AT&T switching systems placed throughout the State of Michigan.[3] Inferior or unduly expensive interim solutions, such as Ameritech's Direct Inward Dial ("DID") or Flexible DID, will have an extremely negative impact on AT&T's ability to implement its proposed market plan -- and, in fact, would shackle AT&T as a competitor in the Michigan marketplace.

C. Interim Number Portability

27. Ameritech is currently offering INP through Remote Call Forwarding ("RCF"), DID, and NXX Migration (otherwise known as Local Exchange

[3] Of course, business plans are always subject to change and unexpected developments, especially in the volatile telecommunications market. Thus, market plan target dates can be accelerated or delayed, depending on the circumstances.

Routing Guide ("LERG") Reassignment). Dunny Aff., ¶¶ 129, 133; Mayer Aff., ¶ 153. This offer, however, does not comply with Ameritech's obligation under the checklist to provide any INP method that is "technically feasible." Specifically, Ameritech has not agreed to provide route indexing -- including Route Indexing - Portability Hub ("RI-PH") -- even though this INP method is not only technically feasible, but is also necessary for AT&T properly to serve business customers and to take advantage of LERG Reassignment solutions.

28. Section 251 of the 1996 Act, which sets forth the INP obligations referred to in Item (xi) of the competitive checklist, requires LECs "to provide to the extent technically feasible, number portability in accordance with regulations prescribed by the [FCC]." 47 U.S.C. § 251(b)(2). The FCC has thus required that, until a PNP solution is fully deployed, carriers such as Ameritech must provide all technically feasible INP solutions necessary for CLECs to be able to realistically achieve near term competition with incumbent LECs such as Ameritech. See Number Portability Order, ¶¶ 110-111, 115; 47 C.F.R. § 52.27.

29. Messrs. Dunny and Mayer assert that it is "important" that any INP method "be (1) technically feasible now, (2) available now based on current facilities, (3) not result in significant additional costs, and (4) port numbers with a minimum loss of functionality." Dunny Aff., ¶ 130; see also Mayer Aff., ¶ 153. However, with the exception of the fourth requirement (which is included in Item (xi) of the checklist), these requirements are inconsistent with the 1996 Act and the FCC's regulations.